## AMENDED IN SENATE APRIL 2, 2002 AMENDED IN SENATE APRIL 1, 2002

## **SENATE BILL**

No. 1765

## **Introduced by Senator Bowen**

February 21, 2002

An act to amend Section 1793.1 of, and to add Section 1799.1b to, the Civil Code, relating to consumers.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1765, as amended, Bowen. Consumers.

The existing Song-Beverly Consumer Warranty Act provides consumer warranty protection to buyers of various products. Existing law requires that every manufacturer, distributor, or retailer which makes express warranties with respect to consumer goods fully set forth those warranties in simple and readily understood language, as specified.

This bill would provide that if the manufacturer, distributor, or retailer provides a warranty or product registration card or form, or an electronic online warranty or product registration form, to be completed and returned by the buyer, the card or form is required to inform the buyer that (1) failure to return the card or form does not diminish his or her warranty rights during the warranty period, and (2) the buyer may authorize or prohibit the addressee from using the personal identifying information of the buyer for specified purposes.

Existing law provides for the regulation of the disclosure of personal identifying information, as defined.

This bill would require that any consumer survey relating to products or services, as conducted by any person or entity, include on the survey SB 1765 - 2 —

or form, or if neither is provided, express orally, an option allowing the consumer to authorize or prohibit the use of their personal identifying information by the person or entity for specified purposes. The bill would further require the person or entity conducting the survey to include on the survey or form, or if neither is provided, express orally, the name, address, and toll-free telephone number of that person or entity. The bill would make a violation of those provisions subject to certain civil remedies.

Vote: majority. Appropriation: no. Fiscal committee: State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1793.1 of the Civil Code is amended to 2 read:
- 3 1793.1. (a) (1) Every manufacturer, distributor, or retailer
- making express warranties with respect to consumer goods shall fully set forth those warranties in simple and readily understood 5
- language, which shall clearly identify the party making the express
- warranties, and which shall conform to the federal standards for
- disclosure of warranty terms and conditions set forth in the federal
- 9 Magnuson-Moss Warranty-Federal Trade Commission
- 10 Improvement Act (15 U.S.C. Sec. 2301 et seq.), and in the
- regulations of the Federal Trade Commission adopted pursuant to 11
- the provisions of that act. If the manufacturer, distributor, or 12
- 13 retailer provides a warranty or product registration card or form,
- or an electronic online warranty or product registration form, to be
- 15 completed and returned by the buyer, the face of the card or form
- shall contain the following statements in a font size no smaller than
- the majority of the font size found on the remainder of the card or 17 18 form:
- 19 (A) "UNDER CALIFORNIA LAW, YOU ARE NOT
- 20 REQUIRED TO **COMPLETE** AND RETURN THIS
- 21 WARRANTY OR PRODUCT REGISTRATION CARD OR
- 22 FORM, OR THIS ELECTRONIC ONLINE WARRANTY OR
- PRODUCT REGISTRATION FORM, IN ORDER TO MAKE
- YOUR WARRANTY EFFECTIVE AND HAVE YOUR
- PRODUCT SERVICED OR REPAIRED DURING THE 25
- WARRANTY PERIOD." 26
- 27 (B) " $\square$  You may send me product promotions and offers.

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 $\square$  You may share my name, address, and other personal identifying information with affiliates and nonaffiliated companies and individuals."

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- (2) A manufacturer, distributor, or retailer that collects information from a consumer through a warranty or product registration card or form, or an electronic online warranty or product registration form, may only use that consumer's name, address, and other personal identifying information, as defined in Section 1798.92, in the manner specifically authorized by that consumer, as provided in subparagraph (B) of paragraph (1). A manufacturer, distributor, or retailer may not use the personal identifying information of a consumer in a manner other than as provided in subparagraph (B) of paragraph (1), unless the manufacturer, distributor, or retailer obtains express written permission from the consumer prior to that use.
- (3) Every work order or repair invoice for warranty repairs or service shall clearly and conspicuously incorporate in 10-point boldface type the following statement either on the face of the work order or repair invoice, or on the reverse side thereof, or on an attachment to the work order or repair invoice: A buyer of this product in California has the right to have this product serviced or repaired during the warranty period. The warranty period will be extended for the number of whole days that the product has been out of the buyer's hands for warranty repairs. If a defect exists within the warranty period, the warranty will not expire until the defect has been fixed. The warranty period will also be extended if the warranty repairs have not been performed due to delays caused by circumstances beyond the control of the buyer, or if the warranty repairs did not remedy the defect and the buyer notifies the manufacturer or seller of the failure of the repairs within 60 days after they were completed. If, after a reasonable number of attempts, the defect has not been fixed, the buyer may return this product for a replacement or a refund subject, in either case, to deduction of a reasonable charge for usage. This time extension does not affect the protections or remedies the buyer has under other laws.

If the required notice is placed on the reverse side of the work order or repair invoice, the face of the work order or repair invoice shall include the following notice in 10-point boldface type: Notice to Consumer: Please read important information on back.

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A copy of the work order or repair invoice and any attachment thereto shall be presented to the buyer at the time that warranty service or repairs are made.

- (b) Every manufacturer, distributor, or retailer making express warranties and who elects to maintain service and repair facilities within this state pursuant to this chapter shall perform one or more of the following:
- (1) At the time of sale, provide the buyer with the name and address of each service and repair facility within this state.
- (2) At the time of the sale, provide the buyer with the name and address and telephone number of a service and repair facility central directory within this state, or the toll-free telephone number of a service and repair facility central directory outside this state. It shall be the duty of the central directory to provide, upon inquiry, the name and address of the authorized service and repair facility nearest the buyer.
- (3) Maintain at the premises of retail sellers of the warrantor's consumer goods a current listing of the warrantor's authorized service and repair facilities, or retail sellers to whom the consumer goods are to be returned for service and repair, whichever is applicable, within this state. It shall be the duty of every retail seller provided with that listing to provide, on inquiry, the name, address, and telephone number of the nearest authorized service and repair facility, or the retail seller to whom the consumer goods are to be returned for service and repair, whichever is applicable.
- SEC. 2. Section 1799.1b is added to the Civil Code, to read: 1799.1b. (a) For purposes of this section, the following definitions apply:
- (1) "Consumer survey" means a set of questions—designed to gather for gathering information from a consumer about a specific product or service, various products or services, or general opinions and interests related to products or services.
- (2) "Personal identifying information" means a person's name, address, telephone number, driver's license number, social security number, place of employment, employee identification number, mother's maiden name, demand deposit account number, savings account number, or credit card number.
- (b) A person or entity conducting a consumer survey may only use a consumer's name, address, and other personal identifying

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information in the manner specifically authorized by the consumer, as provided in subdivisions (c) and (d).

- (c) A—If a person or entity conducting a consumer survey collects personal identifying information from a consumer, the person or entity shall include the following statements on the survey or form in a font size no smaller than the majority of the font size found on the remainder of the survey or form:
  - (1) "☐ You may send me product promotions and offers."
- (2) "
  You may share my name, address, and other personal identifying information with affiliates and nonaffiliated companies and individuals."
- (d) In the case of a consumer survey conducted in person, by telephone, or through other oral means, *if* a person or entity conducting the consumer survey *collects personal identifying information from a consumer, the person or entity* shall orally ask the consumer the following questions:
  - (1) "May we send you product promotions and offers"?
- (2) "May we share your name, address, and other personal identifying information with affiliates and nonaffiliated companies and individuals"?
- (e) A person or entity conducting a consumer survey may use a consumer's personal identifying information in a manner other than as provided in subdivision (b), if the person or entity obtains express written permission from the consumer prior to that use. If a consumer survey is conducted in person, by telephone, or through other oral means, the person or entity conducting the consumer survey shall obtain express oral permission from the consumer prior to that use.
- (f) A person or entity conducting a consumer survey shall include on the survey or form, in a font size no smaller than the majority of the font size found on the remainder of the survey or form, all of the following:
  - (1) The name of the person or entity conducting the survey.
  - (2) The address of the person or entity conducting the survey.
- (3) A toll-free telephone number for the person or entity conducting the survey.
- (g) In the case of a consumer survey conducted in person, by telephone, or through other oral means, a person or entity conducting the consumer survey shall comply with the requirements imposed by subdivision (f) orally.

- 1 (h) The remedies in Section 1799.2 apply to any violation of 2 this section.